

UNITED PRESS INTERNATIONALS

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CPYRGHT (CUBANS-TAX)

WASHINGTON--THE INTERNAL REVENUE SERVICE SAID TODAY THAT U. S. FIRMS DONATING DRUGS AND OTHER MATERIALS TO RANSOM CUBAN PRISONERS ARE ELIGIBLE FOR TAX DEDUCTIONS "UNDER THE REGULAR TAX LAW."

A SPOKESMAN SAID NO SPECIAL TAX DEDUCTION HAS BEEN AUTHORIZED FOR THE CONTRIBUTIONS THE VALUE OF WHICH IS ESTIMATED UP TO \$62,000,000.

BUT HE SAID BOTH THE RED CROSS AND THE CUBAN FAMILIES' COMMITTEE FOR THE LIBERATION OF PRISONERS OF WAR ARE LISTED AS TAX EXEMPT ORGANIZATIONS. DONATIONS TO WHICH CAN BE DEDUCTED UNDER LIMITATIONS SET UP BY TAX LAWS.

THIS MEANS, THE OFFICIAL SAID THAT U. S. PHARMACEUTICAL HOUSES, WHICH HAVE CONTRIBUTED MOST OF THE RANSOM GOODS, HAVE BEEN TOLD THEIR REQUESTS FOR DEDUCTIONS WILL BE HANDLED IN "ROUTINE" FASHION. IN THE CASE OF WHOLESALERS THE VALUE ON WHICH THE DEDUCTION IS BASED IS THE WHOLESALE VALUE. CORPORATION DEDUCTIONS FOR SUCH PURPOSES ARE LIMITED TO 5 PER CENT OF TAXABLE INCOME.

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